

Rep. Peter Welch (D-Vt.) on Monday introduced legislation to ban individuals and companies convicted of bribing foreign officials from contracting with the federal government.

The Overseas Contractor Reform Act (H.R. 5366) would automatically debar federal contractors convicted under the Foreign Corrupt Practices Act, which prohibits American companies and individuals from unlawfully influencing foreign officials.

Welch wrote the legislation in response to an ongoing investigation into whether Xe Services – formerly known as Blackwater Worldwide – bribed Iraqi officials following a 2007 Baghdad shooting that left 17 Iraqis dead.

"Simply put, those convicted of bribing foreign officials have no business doing business with the federal government," Welch said. "Companies that flagrantly violate the rule of law – as Blackwater is accused of doing – ought to be stripped of their ability to profit off of American contracts."

H.R. 5366 would immediately debar those convicted – and sever any ongoing contracts – 30 days after all possible appeals of a Foreign Corrupt Practices Act conviction are exhausted.

According to news reports, the Justice Department has been investigating since late last year whether Blackwater sought to bribe Iraqi officials to continue allowing the company to do business in the country following the 2007 shooting. Blackwater allegedly authorized \$1 million in secret payments to Iraqi officials after the company came under scrutiny for the Nisour Square shooting.

Welch was the author of the Close the Contractor Fraud Loophole Act (H.R. 5712), which was signed into law in 2008. That bill took aim at a loophole that allowed overseas government contractors to avoid disclosing fraud.